



→ Position

Industrial Accelerator Act

The view of the public transport sector
for the acceleration of the industrial
capacity and decarbonisation



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On 4 March 2026, the European Commission presented its proposal for a regulation establishing a framework of measures for the acceleration of industrial capacity and decarbonisation in strategic sectors, the so-called Industrial Accelerator Act (IAA).

As UITP, the International Association of Public Transport, we strongly support initiatives that promote sustainable mobility, enhance European industrial competitiveness, and advance decarbonisation. Representing more than 500 public transport operators and authorities across all EU member states, UITP Europe speaks for local and regional collective, mass transit passenger transport services across all sustainable road, rail, and waterborne modes.

Local and regional public transport is uniquely positioned to drive Europe's transition toward climate neutrality and global competitiveness. By shifting from private cars to collective transport modes like buses, trains, metro and trams powered by low-carbon and renewable energy or any sustainable on-demand shared mobility solutions, public transport significantly reduces greenhouse gas emissions, air pollution, and congestion. Besides, the EU's local and regional public transport sector includes globally recognised operators and industry leaders with strong operational, technological, and business expertise, exported worldwide through consultancy, engineering, and service operations. Supporting public transport aligns with reports from policymakers like Draghi and Letta, who highlight the sector's role in fostering innovation, creating quality jobs, exporting its expertise and supporting sustainable economic growth.

For these reasons, UITP fully shares the Commission's objective to *"support the development, competitiveness and resilience of the Union's manufacturing sector, with a focus on selected strategic sectors, while contributing to the Union's climate objective, economic security and the creation, retention of, and transition into high-quality jobs"*. For these same reasons, **UITP calls for a pragmatic implementation of the IAA, which will preserve the competitiveness and sustainability investments of the public transport sector**, and stresses the need to ensure proper alignment of this regulation with the future Public Procurement Act.

Executive summary

UITP fully shares the IAA's objective to *"support the development, competitiveness and resilience of the Union's manufacturing sector"* and supports the principle of European preference, which helps bolster the European industry while strengthening the Union's competitiveness and security.

To ensure its effectiveness, **UITP calls for a pragmatic implementation of the IAA** based on the following main points:

- **The EU preference should be gradually implemented, and its elements require some clarification;**
- **Decarbonisation should remain the priority and should not be hindered by more complex procurement rules;**
- **Exemptions set out in Article 11 must be preserved, clarified and extended;**
- **The IAA should not generate extra administrative burden for contracting entities and authorities,** notably in regard to third-country exclusion, self-declaration of compliance by economic operators and the level playing field between public and private buyers.

The EU preference should be gradually implemented, and its elements require some clarification

Gradual and progressive thresholds

UITP supports a pragmatic “Made in EU” approach in public procurement that **must remain flexible and progressively implemented** in order not to hinder decarbonisation efforts, slow down innovation, or delay the rollout of sustainable mobility solutions. The EU should prioritise ensuring sufficient innovation and supply, rather than imposing additional pressure on PTAs and PTOs.

European content requirements must reflect market realities and the actual maturity of industrial supply chains. Public buyers should be able to take account of the level of development of the sectors concerned, as well as the effective capacity of European industry to meet operational needs. Applying “Made in Europe” requirements too broadly or prematurely in insufficiently structured sectors — such as certain battery technologies — could expose buyers to higher costs, reduced quality, and increased risks to security of supply.

With regards to deadlines, **the 2035 deadline suggested in Annex III does not align with the duration of PSO contracts in public transport**, which are usually 12-15 years long. The date of entry into force of the IAA is yet to be determined. In contrast, the public transport sector ensures continuity of mobility by concluding new PSO contracts whenever required. It should be noted that the call for tender and the negotiation phase do not happen in one day, and PTAs may already be in final phase of negotiation, with non-compliant buses, when the IAA will enter into force. Forcing PTAs to renew fleets prior to the termination of a PSO contract is not recommended from a public budget standpoint.

A sector-specific and progressively phased approach is therefore essential to reconcile strategic autonomy, effective competition, and the economic sustainability of public procurement. European content thresholds should be gradual and adaptable over time, based not only on the existence of European production capacity, but also on its effective availability to respond to market demand.

This is crucial to maintain service continuity while giving the European industry the necessary time to scale up and strengthen its competitiveness.

Furthermore, at this stage, UITP does not support the potential inclusion of railway rolling stock within the scope of the regulation, as proposed in Article 29. Imposing strict requirements regarding the origin of components could significantly increase the costs of the equipment needed for track and rolling stock maintenance. Furthermore, if European manufacturers are unable to meet demand or offer suitable technical solutions at competitive prices, rail companies could face accelerated aging of their rolling stock due to a lack of renewal capacity, as well as a deterioration in infrastructure quality because of the prohibitive cost of replacement equipment.

If the provision is not repealed, consideration of extending the regulation's scope to include railway rolling stock should be postponed. The planned three-year period is too short to fully assess the regulation's impact and draw reliable conclusions. Furthermore, the railway sector has numerous distinctive features that set it apart from other sectors already covered by the proposed regulation. In particular, it is characterized by the long service life of equipment – spanning several decades – which makes its investment and maintenance cycles incomparable to those of other industries. Finally, its complex procurement strategy could be disrupted by EU origin requirements, creating bottlenecks for spare parts and compromising the maintenance of the fleet.

Clarification of some Union origin criteria

UITP recommends a broad and pragmatic definition of “assembled within the Union”, reflecting current European supply chains. Therefore, the framework should continue to encompass free trade agreement (FTA) partners whose well-established and highly integrated supply chains play a key role in the European automotive ecosystem. Additionally, rigid thresholds should be avoided (e.g. 70% EU components) in the short term, in favour of gradual and adaptable approaches in order to remain proportionate, flexible and compatible with the operational realities of public transport services.

It remains unclear whether the regulation is intended to apply consistently across all categories of electric and hydrogen-powered vehicles, including plug-in electric vehicles (PEV), off-vehicle charging hybrid electric vehicles (OVC-HEV) and fuel cell vehicles (FCV). This lack of clarity also creates uncertainty regarding the regulatory classification of trolleybuses, which is a mode of transport widely spread across UITP members.

Decarbonisation should remain the priority and should not be hindered by complex and rigid procurement rules

The procurement framework under the Industrial Accelerator Act must support, not hinder, the current investments made to decarbonise public transport. While strengthening European industrial capacity is an important objective, any “Made in EU” requirement must remain proportionate and avoid creating excessive costs, reduced competition, supply shortages, or additional administrative burdens that could delay the deployment of zero-emission fleets and other clean mobility solutions. In sectors where European production capacity is still developing, overly restrictive local content requirements could slow down access to low-carbon technologies and equipment essential to achieving the EU’s climate objectives.

Origin requirements should therefore be designed in a manner that remains compatible with the primary objective of achieving climate targets through the deployment of high-performing and sustainable technologies. **Procurement rules should not be based on price alone, but on a broader set of award criteria rather, that promote best-value and performance-based criteria in line with the principle of the most economically advantageous tender (MEAT).**

Contracting authorities and entities should however be left the choice to weigh the criteria depending on their needs and financial sustainability. **Such an approach would both strengthen European industrial excellence, accelerate the transition to sustainable public transport systems, and ensure an optimal use of public money.**

Exemptions set out in Article 11 must be preserved, clarified and extended

UITP welcomes the exemptions provided for in Article 11, which are essential to preserve the flexibility needed for effective public procurement, particularly in the public transport sector, where procurement procedures are often complex and subject to operational constraints. Contracting authorities and entities should therefore retain the ability to depart from European preference requirements whenever their application would jeopardise the effectiveness of the procurement process, including where the required goods are unavailable in sufficient quantities, cannot be delivered within the necessary timeframe, do not meet the required technical specifications, or where the measure would significantly restrict competition, including by creating a single-bidder situation.

UITP therefore emphasises the importance of maintaining these derogations and recalls that public buyers are best placed to assess the level of maturity and capacity of their supplier markets, which may change over time.

However, **public transport authorities underline that a 25% additional cost is a huge cost for public money, and is not acceptable**. PTAs and PTOs are already facing significant increases in energy prices while public budgets are subject to strict constraints. Limiting the concept of disproportionate costs to a specific percentage entails the risk of excluding other situations which, although not exceeding that percentage, may nevertheless be considered disproportionate in light of the economic context and the financial resources allocated to the specific procurement procedure and available to the contracting authority. Here again, **a sector-specific approach is absolutely essential to avoid situations where PTAs have to reduce the public transport offer**.

The IAA includes an exemption for cases where no suitable offers or suitable requests to participate have been received, taking into account similar earlier procurement procedures initiated within the last two years before the planned new procedure. However, **this period of two years is too short and should be extended to five years**. This would reduce the need to repeat unsuccessful procedures and would enable faster implementation, particularly for time-sensitive projects, as well as reducing costs and administrative burden.

In addition to the existing derogations, UITP recommends extending the list of circumstances in which contracting authorities and entities would be authorised to derogate from the Union origin requirements:

- If only a single offer is received;
- If a significant delay is expected in completion of a project (seven months, as proposed in the new Art 25a of the Net-Zero Industry Act Regulation - NZIA);
- In case of an emergency situation (natural disaster, accident, etc);
- In the event of a high risk or a confirmed disruption to public services, which lie at the very heart of public transport operations;
- In case the 'Made in the EU' criteria would make it impossible to procure new, innovative solutions, thereby hindering innovation.
- For compliance with safety, security and cybersecurity requirements;

Derogations play a particularly key enabling role when contracting authorities are subject to binding legal obligations, notably in the case of the procurement of electric buses. They are particularly necessary in situations where European supply is either insufficient or unable to meet operational or technical requirements. In such cases, **exemptions ensure that public buyers can comply with their legal duties without compromising service continuity or the effective delivery of their contracts.**

These derogations should also apply to Article 11(1), which requires contracting authorities and contracting entities to exclude bids from suppliers established in third countries with which the European Union has no free trade agreement for the products listed in Annex II, Part I, and Annex III, Part I.

The IAA should not generate extra administrative burden for contracting entities and authorities

In line with the Commission's objective of simplifying EU legislation, UITP calls for a pragmatic "Made in EU" approach:

- One that simplifies its implementation without adding administrative burdens or creating red tape for public transport operators (PTOs) and authorities (PTAs);
- One that strengthens the European market without compromising the sustainability and operational efficiency of PTOs and PTAs.

Harmonise and centralise the rules concerning third countries and exclusion mechanisms

The coexistence of heterogeneous rules makes them particularly difficult for contracting authorities and entities to interpret and apply¹. This complex fragmentation creates legal uncertainty, which is further exacerbated when certain obligations apply directly to buyers, who must implement them within tight deadlines and often with limited resources. It also generates a significant administrative burden and increases the risk of procedural errors in the conduct of procurement processes. PTOs and PTAs do not have the resources to act as trade investigators or experts in Unions customs law. The EU must simplify third-country exclusion mechanisms and provide objective third-party certification to verify origins.

To ensure the effectiveness of the framework, **a comprehensive and regularly updated centralised list of third countries** with which the Union has concluded a free trade agreement or customs union, or which are parties to the Government

¹ Existing EU law already provides mechanisms enabling the exclusion of tenders originating from third countries. These are found across a range of instruments, including:

- the public procurement directives (Article 85 of Directive 2014/25 on "tenders comprising products originating in third countries"), which are due to be revised;
- the Net-Zero Industry Act Regulation;
- the International Procurement Instrument Regulation;
- EU case law (the Kolin and Qingdao judgments);
- the Foreign Subsidies Regulation, in a more indirect manner.

Procurement Agreement where relevant EU obligations apply, **should be made readily available to public buyers.**

Such centralisation would significantly reduce the administrative burden on public transport operators and authorities, as it is currently both time-consuming and complex for each contracting authority to track and interpret the full range of relevant agreements and their specific provisions.

In addition, the respective roles and responsibilities of the various actors involved in implementing these rules should be clearly defined to ensure consistent and effective application across the EU.

Self-declaration of compliance by manufacturers (article 11)

Greater clarity is needed on the content and level of detail expected in self-declarations of compliance by economic operators, as well as on the allocation of liability in cases of non-compliance, particularly where these declarations are used in place of manufacturer evidence. This is especially relevant for electric buses, where manufacturers may face practical difficulties in demonstrating compliance, while public **transport operators and authorities may lack the means to effectively verify the accuracy and robustness of the information provided.**

In its current form, a system relying predominantly on self-declarations risks generating inconsistent reporting and distorting competition. Several key aspects remain insufficiently defined, particularly the scope of due diligence expected from contracting authorities and entities and their ability to rely on declarations. It is unclear whether they may accept such declarations at face value or whether they are required to assess their plausibility and consistency, especially where obvious inconsistencies or red flags arise. This uncertainty is compounded by the absence of clear rules on compliance monitoring during contract execution, even though some requirements can only realistically be verified ex post rather than at the tendering stage. As a result, the lack of precision in both the verification framework and the execution-phase controls risks placing an undue interpretative burden on public buyers and exposing them to legal uncertainty regarding the extent of their obligations and potential liability.

The credibility of the framework and the preservation of a level playing field therefore require additional safeguards, including independent verification, random audits, component traceability requirements, and proportionate enforcement

measures, alongside a hybrid approach combining self-declaration with ex-post controls to ensure both reliability and effectiveness. These elements are necessary to **ensure that public transport operators and authorities cannot be held responsible for the execution of those measures**. It should finally be explicitly clarified that contracting authorities and entities bear no responsibility for any false or misleading declarations and are under no obligation to verify their accuracy.

Level playing field between public and private buyers

Ensuring a level playing field between public and private buyers requires particular attention, as the European Commission's proposal would impose an obligation on public buyers to exclude tenders from third countries without introducing a comparable requirement for private purchasers. **This regulatory asymmetry is likely to create significant distortions of competition**, particularly in sectors where public and private operators compete directly, such as the supply of rolling stock and spare parts.

In such markets, public transport operators could be prevented from accessing potentially more competitive offers, while private buyers would remain free to do so, thereby undermining fair market conditions. To avoid these imbalances, two options can be considered²:

- An exemption from the rules regarding the Union origin and low-carbon content requirements set forth in the IAA could be provided for procurements made by contracting entities that are bidders in competitive bidding processes and/or holders of a contract resulting from such processes, in order to ensure a more level playing field between public and private buyers, since private buyers are not subject to such requirements when responding to a competitive bidding process.
- Otherwise, all bidders (public or private) responding to a public competitive tender could be required to comply with the IAA's requirements (in particular, the Union-origin and low-carbon content requirements).

This would help preserve competitive neutrality between public and private actors.

² See the two options formulated for the Amendment 1

UITP Proposals for amendments

UITP Amendment 1 (option A)

Article 11(2)	
Proposal of the European Commission	UITP proposal for amendment
For public procurement procedures referred to in Part I of Annex II and Part I of Annex III, contracting authorities and contracting entities shall apply the Union origin requirements and low-carbon requirements laid down therein in accordance with Articles 8 and 10.	For public procurement procedures referred to in Part I of Annex II and Part I of Annex III, contracting authorities and contracting entities shall apply the Union origin requirements and low-carbon requirements laid down therein in accordance with Articles 8 and 10. <i>They shall not apply these requirements when they are bidders in competitive bidding processes and/or holders of a contract resulting from such processes.</i>

UITP Amendment 1 (option B)

Article 11(2 bis) - new	
Proposal of the European Commission	UITP proposal for amendment
	<i>For public procurement procedures referred to in Part I of Annex II and Part I of Annex III involving competitive bidding, contracting authorities and contracting entities shall require candidates, whether public or private, to comply with the EU origin requirements and low-carbon</i>

	<i>requirements set forth therein, in accordance with Articles 8 and 10.</i>
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UITP Amendment 2

Article 11(3)	
Proposal of the European Commission	UITP proposal for amendment
Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: (a) the required products or services can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure; (b) no suitable tenders or no suitable requests to participate were submitted, including in response to a similar former public procurement procedure launched by the same contracting authority or contracting entity in the two years preceding the start of the planned new procurement procedure; (c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in their operation and maintenance. Estimated cost differences exceeding	Contracting authorities and contracting entities may decide not to apply the requirements set out <i>in paragraph 1 of this article and</i> in Annexes II and III where any of the following conditions are fulfilled: (a) the required products or services can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure; (b) no suitable tenders or no suitable requests to participate were submitted, including in response to a similar former public procurement procedure launched by the same contracting authority or contracting entity in the two years preceding the start of the planned new procurement procedure; (c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in their operation and maintenance.

25%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.	Estimated cost differences exceeding 25% for the whole transaction , based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate. Member States may decide to change this threshold for certain sectors to preserve their national economies.
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UITP Amendment 3

Article 11(3)(d) - new	
Proposal of the European Commission	UITP proposal for amendment
Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...)	Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...) (d) the contracting authority or contracting entity has only received a single offer;

UITP Amendment 4

Article 11(3)(d) - new	
Proposal of the European Commission	UITP proposal for amendment
Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled:	Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled:

(...)	(...) <i>(e) their application would lead to significant delays to the delivery of the project due to the unavailability of the required components or final products. Estimated delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant;</i>
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UITP Amendment 5

Article 11(3)(d) - new	
Proposal of the European Commission	UITP proposal for amendment
Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...)	Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...) <i>(f) their application would slow down and/or prevent the contracting authority or contracting entity from responding to an emergency situation;</i>

UITP Amendment 6

Article 11(3)(e) - new	
Proposal of the European Commission	UITP proposal for amendment
Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and	Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and

III where any of the following conditions are fulfilled: (...)	III where any of the following conditions are fulfilled: (...) <i>(g) their application would slow down and/or prevent the contracting authority or contracting entity from ensuring the continuity of a public service provision;</i>
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UITP Amendment 7

Article 11(3)(f) - new	
Proposal of the European Commission	UITP proposal for amendment
Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...)	Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...) <i>(h) their application would slow down and/or prevent the contracting authority or contracting entity from procuring new specific innovative solutions;</i>

UITP Amendment 8

Article 11(3)(g) - new	
Proposal of the European Commission	UITP proposal for amendment
Contracting authorities and contracting entities may decide not to apply the	Contracting authorities and contracting entities may decide not to apply the

requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...)	requirements set out in Annexes II and III where any of the following conditions are fulfilled: (...) <i>(i) the contracting authority or contracting entity has to comply with safety, security and/or cybersecurity requirements.</i>
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UITP Amendment 9

Article 8	
Proposal of the European Commission	UITP proposal for amendment
1. With respect to the Union origin requirements referred to in Article 11, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union, or that are parties to the Agreement on Government Procurement, where relevant obligations of the Union exist under that agreement, shall be deemed to be of Union origin. 2. The Commission shall adopt delegated acts in accordance with Article 30 to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria: (a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the sectors listed in Annex I;	1. With respect to the Union origin requirements referred to in Article 11, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union, or that are parties to the Agreement on Government Procurement, where relevant obligations of the Union exist under that agreement, shall be deemed to be of Union origin. 2. The Commission shall adopt delegated acts in accordance with Article 30 to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria: (a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the sectors listed in Annex I;

(b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question; (c) such exclusion is justified under any other exception under the applicable agreement.	(b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question; (c) such exclusion is justified under any other exception under the applicable agreement. <i>3. From the date of entry into force of this Regulation, the Commission shall make available and maintain a freely accessible digital tool that lists third countries referred to in paragraph 1 and, where appropriate, third countries referred to in paragraph 2, in order to assist contracting authorities, contracting entities and economic operators with the implementation of this Article.</i>
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UITP Amendment 10

Article 11(4)	
Proposal of the European Commission	UITP proposal for amendment
4. Contracting authorities and contracting entities shall require economic operators supplying products or services to submit a self-declaration, or an equivalent document, demonstrating compliance with the requirements set out in this Article.	Contracting authorities and contracting entities shall require economic operators supplying products or services to submit a self-declaration, or an equivalent document, demonstrating compliance with the requirements set out in this Article. <i>The Commission shall adopt delegated acts in accordance with Article 30 to detail</i>

	<i>the control mechanisms of the self-declarations.</i>
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UITP Amendment 11

Article 29	
Proposal of the European Commission	UITP proposal for amendment
[...] When carrying out its review, the Commission shall pay particular attention to the effectiveness of this Regulation and the persistence of the circumstances that have justified the adoption of this Regulation and to the necessity to introduce Union origin requirements for products from certain sectors critical to the Union's economic security, notably the building of ships and of rail rolling stock.	[...] When carrying out its review, the Commission shall pay particular attention to the effectiveness of this Regulation and the persistence of the circumstances that have justified the adoption of this Regulation and to the necessity to introduce Union origin requirements for products from certain sectors critical to the Union's economic security, notably the building of ships <i>and of rail rolling stock.</i>

This is an official publication of UITP, the International Association of Public Transport. UITP represents the interests of key players in the public transport sector. Its membership includes transport authorities, operators, both private and public, in all modes of collective passenger transport, and the industry. UITP addresses the economic, technical, organisation and management aspects of passenger transport, as well as the development of policy for mobility and public transport worldwide.

This publication was prepared by **UITP EU Committee**.

